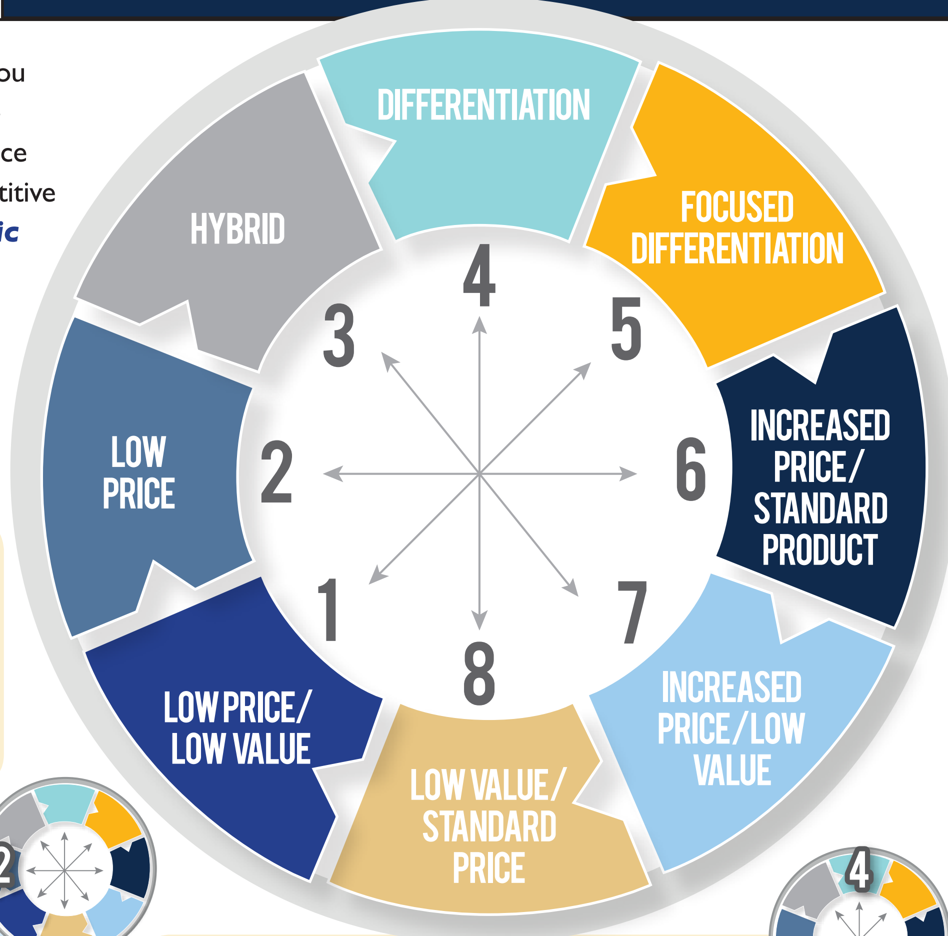
Is Your Strategy Right for You?



Bowman's Strategy Clock can help you understand how companies use strategy in the marketplace. The different combinations of price and perceived value create positions of competitive advantage. By understanding these ***eight basic strategic positions***, you can analyze and evaluate your current strategy in view of your overall competitive position, your internal operations and culture and your ability to make moves against your competitors.

LOW PRICE/LOW VALUE: The "bargain basement" position. You'll have to tightly manage costs, sell volume and continually attract new customers. "Cheap stuff at a cheap price."

LOW PRICE: A balancing act of low margins with high volume. Walmart is the poster child of this position and has been successful in getting suppliers to play the game with them on the promise of high volumes.

DIFFERENTIATION: This strategy requires that products and services actually have greater value through specific attributes and characteristics that add value. Google, for example, actually is a better search engine than any of its competitors. When true differentiation is achieved then branding is a natural outcome of market acceptance.

HYBRID: (moderate price/moderate differentiation): Quality and value are good but not significantly different. "Me, too" products and services abound with this strategy. Differentiation for many companies comes from service factors, not product attributes.

FOCUSED DIFFERENTIATION: Luxury goods embrace this strategy with highly targeted markets and high margins. This is branding on steroids built on product differentiation and high design values. True innovation embraces this strategy as well in its initial offering and then is often the catalyst for a new category to open up to the marketplace; i.e. Apple and its iProducts.

INCREASED PRICE/STANDARD PRODUCT: A short-term strategy for increasing prices without increasing value. Generally not a sustainable move, but one that can take advantage of specific market conditions like a major competitor exiting the market segment.

INCREASED PRICE/LOW VALUE: The monopoly position where customers have to pay the price you require even if you aren't providing the value. In a competitive market economy, monopolies don't last long.

LOW VALUE/STANDARD PRICE: If you have a low value product, generally competitive pressures will drive down your prices. This is a short-term strategy in a market driven economy.

In truly competitive markets Positions 6, 7 and 8 are not sustainable. Price and perceived value must be aligned correctly in the customer's eyes or you will lose your buyer to a competitor offering better products or services at a lower price. In your strategic planning, focus on how you can increase your perceived or real value to your customers if you want to move up in the food chain.

Click here to learn more about these strategic positions and Bowman's Strategy Clock »

Ross Buehler Falk & Company, LLP | Certified Public Accountants
1500 Lititz Pike | Lancaster, PA 17601 | 717-393-2700 | 717-393-1743 (fax) | www.rbfco.com

Expect More…